

810-5-8-.01 Issuance of Certificate of Motor Vehicle Liability Bond.

(1) Section 32-7A-4, Code of Alabama 1975, provides an alternative to motor vehicle liability insurance requirements for motor vehicles covered by a "motor vehicle liability bond" and **states the bond** "shall be ~~a sum of not less than fifty thousand dollars (\$50,000.00).~~ **in the amount of not less than the minimum amounts of liability coverage for bodily injury or death and for destruction of property under subsection (c) of Section 32-7-6**".

(2) The "Motor Vehicle Liability Bond" (Form MV-MLI-004) shall be filed with the Department of Revenue's Motor Vehicle Division. The bond must be executed by a company qualified to conduct a surety business in Alabama, and shall be conditioned on the payment of the amount of any judgement rendered against the principal in the bond or any person responsible for the operation of the principal's motor vehicle with his or her express or implied consent, arising from injury, death, or damage sustained through the use, operation, maintenance, or control of the motor vehicle within the State of Alabama.

(3) In order to prove their coverage, persons who purchase a motor vehicle liability bond, shall carry within each vehicle the "Motor Vehicle Liability Bond Certificate" (Form MV-MLI-005) (or legible copy thereof) as issued by the Department of Revenue. The "Motor Vehicle Liability Bond Certificate" shall contain the vehicle identification number.

(4) The "Motor Vehicle Liability Bond Certificate" (or legible copy thereof) shall be displayed upon request by any law enforcement officer as provided under Section 32-7A-6(h) in order for the officer to ascertain that the vehicle owner or operator is covered under the provisions of Chapter 7A of Title 32. If the owner refuses or fails to provide proof of exemption as provided in this rule, the person shall be in violation of Section 32-7A-16.

(5) In the event that the person to whom a "Motor Vehicle Liability Bond Certificate" is issued, elects to and does terminate the bond, the person is canceled by the surety, or the bond otherwise becomes invalid, the owner or operator shall obtain insurance coverage as provided by Chapter 7A of Title 32. Anyone who cancels or has his/her liability bond canceled shall not display the "Motor Vehicle Liability Bond Certificate" (or legible copy thereof). Anyone displaying a "Motor Vehicle Liability Bond Certificate" knowing the Certificate has been canceled or knowing the Certificate is illegally altered, counterfeit or otherwise invalid, is in violation of Section 32-7A-16.

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Authority: Sections 40-2A-7(a)(5) and 32-7A-3(a), Code of Alabama 1975
History: Adopted through APA March 22, 2001, effective April 26, 2001.